

Message Text

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46/63

ORIGIN ARA-10

INFO OCT-01 ISO-00 A-01 SS-15 NSC-05 L-02 EB-07 PA-01

PRS-01 CIAE-00 INR-05 NSAE-00 RSC-01 SP-02 INRE-00

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DRAFTED BY: ARA/EP:SMPRINGLE

APPROVED BY: ARA:WDROGERS

ARA/L:DGANTZ

----- 125695

O 200050Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY LIMA IMMEDIATE

C O N F I D E N T I A L STATE 278656

C O R R E C T E D C O P Y (LINE 1 PARA 4 OMITTED)

E.O. 11652: GDS

TAGS: PFOR, EFIN, BDIS, PE

SUBJECT: GREENE SETTLEMENT - DISTRIBUTION OF PROCEEDS

REF: LIMA 10725

1. CHECKS WERE DISTRIBUTED TO ALL RECIPIENTS DECEMBER 19.
 2. THERE WERE NO QUESTIONS ON SUBJECT AT NOON PRESS BRIEFING.
 3. MINISTER COUNSELOR ROCA ZELA (AMBASSADOR BERCKEMEYER IS IN SAN FRANCISCO) CALLED ON ASSISTANT SECRETARY ROGERS AFTERNOON DECEMBER 19 ON INSTRUCTIONS FOREIGN MINISTRY. HE SAID THAT INFORMATION CONTAINED IN EMBASSY'S AIDE MEMOIRE HAD SURPRISED HIS GOVERNMENT BECAUSE INCLUSION OF ESSO STANDARD AS RECIPIENT WAS VERY INOPPORTUNE, NOTICE GIVEN TO GOP WAS VERY SHORT, AND MATTER HAD BEEN HANDLED IN PRE-EMPTORY WAY INCONSISTENT WITH SPIRIT OF GREENE NEGOTIATIONS. HE ADDED THAT TIMING WAS ESPECIALLY BAD BECAUSE OF PUBLICITY
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IN LIMA OVER TERMS OF PIPELINE CONTRACT WITH JAPAN; AS

RESULT, GOP WAS FORCED TO PUBLISH ITS NOTE IN ORDER TO
AVOID REPETITION OF SIMILAR CRITICISM.

4. ROGERS SAID HE UNDERSTOOD PERUVIAN POINT OF VIEW. HE
WISHED TO MAKE CERTAIN GOP UNDERSTOOD THAT WE HAD NOT
INTENDED TO ISSUE ANY PRESS STATEMENT AND THAT IF ASKED WE
WOULD MAKE IT CLEAR THAT GOP DID NOT AGREE WITH DISTRIBUTION
MADE BY DEPARTMENT. WE HAD NOT INTENDED TO ACT IN PRE-
EMPTORY FASHION, AS PERCEIVED BY THE GOP; WE HAD THOUGHT
THAT IT MIGHT TAKE QUITE SOME TIME BEFORE DISTRIBUTION
BECAME PUBLIC KNOWLEDGE. WE CERTAINLY DO NOT WISH THIS
TO BECOME PROBLEM IN OUR RELATIONS AND WISH TO TAKE
APPROPRIATE STEPS TO PREVENT ITS BECOMING SO.

5. GANTZ POINTED OUT THAT PAYMENT OF DOLS 76 MILLION TO
THE USG BY THE GOP FULFILLED THE LATTER'S RESPONSIBILITIES.
ARTICLE 3 MAKES IT CLEAR THAT THE DISTRIBUTION IS RES-
PONSIBILITY OF USG. WE RECOGNIZED THE GOP POSITION AS
STATED IN THE PREAMBLE, AND BOTH GOVERNMENTS RECOGNIZED
THAT WE HAD AN UNRECONCILABLE PROBLEM. THAT, HOWEVER,
DID NOT PREVENT US FROM CONCLUDING THE AGREEMENT.

6. ROCA ZELA ASKED IF IT WOULD BE POSSIBLE NOT TO PAY
ESSO, AND ROGERS REPLIED THAT HE COULD OFFER NO HOPE OF
THAT AT ALL. THE ARRANGEMENTS WITH RESPECT TO PAYMENTS
IS THE RESPONSIBILITY OF USG, AND IT REPRESENTS AN
AGREEMENT WHICH HAS BEEN CONCLUDED WITH ALL OF RECIPIENTS.
ROCA ZELA ASKED IF IT MIGHT BE POSSIBLE TO POSTPONE
PAYMENTS AND HE WAS TOLD THAT THIS WAS NOT POSSIBLE EITHER,
SINCE PAYMENTS HAD BEEN MADE.

7. GANTZ EMPHASIZED THAT THE US HAD TALKED TO ALL THE
COMPANIES CONCERNED, THAT THE COMPANIES DID NOT PLAN TO
ISSUE STATEMENTS UNLESS PRESSED BY NEWS MEDIA, AND THAT
WE HOPE TO MINIMIZE PUBLICITY. HE ALSO SUGGESTED THE
DESIRABILITY OF AVOIDING ANY UNNECESSARY PRESS COVERAGE
IN PERU. (IN RESPONSE TO SEVERAL QUERIES BASED ON UPI
STORY DATELINED LIMA, EXXON WILL RELEASE BRIEF STATEMENT
EVENING DEC 19 ACKNOWLEDGING RECEIPT OF FUNDS AS PART OF
GREENE SETTLEMENT DISTRIBUTION.)
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8. COMMENTS ON PROPOSED NOTE (REFTEL) FOLLOW BY SEPTTEL.
KISSINGER

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Message Attributes

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